

Honorable Martin Glenn;

I am writing to request that Celsius clients with loans funded from Custody accounts be allowed to pay off their loans and have collateral redeposited back into their Custody accounts.

On April 15th 2022, Celsius introduced Custody accounts and required new loans to be funded through Custody accounts. From April 15th onward, Earn accounts were disallowed as loan collateral for unaccredited investors.

The action taken on April 15th gave users the impression that Celsius was protecting unaccredited investors from the risks outlined in the Earn account's TOS. Users were led to believe that loan collateral was now treated like Custody funds because they were funded through Custody accounts. Otherwise, why would Celsius restrict unaccredited investors from accessing Earn accounts, but then expose them to the exact same risk through Celsius loans?

In Celsius' announcement on April 15th, they stated:

“On April 15th, 2022, Celsius will be launching a new Custody Solution for users in the United States. Custody will serve as the centerpiece of your home for crypto, providing a secure way to navigate across Celsius' products, including store, access, borrow, spend, earn, and grow.”

“New transfers made by non-accredited investors in the United States will be held in their new Custody accounts and will not earn rewards. Non-accredited investors can continue to swap, borrow, and transfer within their custody accounts based on local jurisdiction.”

Source: <https://blog.celsius.network/important-celsius-update-to-our-us-clients-6df471420cc7>

Telling users that they can “borrow within their Custody accounts” gave unaccredited investors the impression that collateral for loans deposited from their Custody account was secure and under the same terms as the Custody account itself.

My hope is that you will allow unaccredited investors that used Custody accounts to fund loans to pay off their loans and have that collateral redeposited back into their Custody accounts.

Thank you for your consideration,

Travis Keeney